MORNING CALL
04/10/2023

"The market is red and heading towards the long-term support zone"

- ❑ World stock: The downward trend continued after the US employment report
- ❑ Vietnam stocks: The market is red and heading towards the long-term support zone
- ❑ Business news: #VCB, #VJC, #VGC, #LTG, #LPB, #SBT
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

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Global Market Review 02/10 - 06/10/2023

Major stocks market

- In regular trading on Tuesday, the Dow fell 1.29% and turned negative for the year. The S&P 500 and Nasdaq Composite also dropped 1.37% and 1.87%, respectively, with ten out of the 11 S&P sectors ending lower led to the downside by consumer discretionary, real estate and technology. Those losses came after the JOLTS job opening report came in stronger-than-expected, supporting views that the Federal Reserve will keep interest rates elevated for an extended period. Rallying Treasury yields also continued to pressure equities, with the benchmark 10-year US yield marching toward a 16-year high of 4.8%.
- Major European stock indexes retreated into negative territory on Tuesday, with Frankfurt's DAX 40 plummeting 1% to its lowest point in over six months at 15,100 points, while the pan-European STOXX 600 dipped 0.9% to 442 points, marking its lowest level since March 24.
- The Nikkei 225 Index dropped 1.7% to below 31,000 while the broader Topix Index tumbled 1.5% to 2,240 on Wednesday. The Shanghai Composite rose 0.1% to close at 3,110 while the Shenzhen Component inched up 0.05% to 10,110 in cautious trade on Thursday, as trading volume dried up ahead of the week-long National Data holiday.
- WTI crude futures steadied around $89 per barrel on Tuesday, after falling more than 6% in the previous three sessions due to a strong dollar and surging Treasury yields.

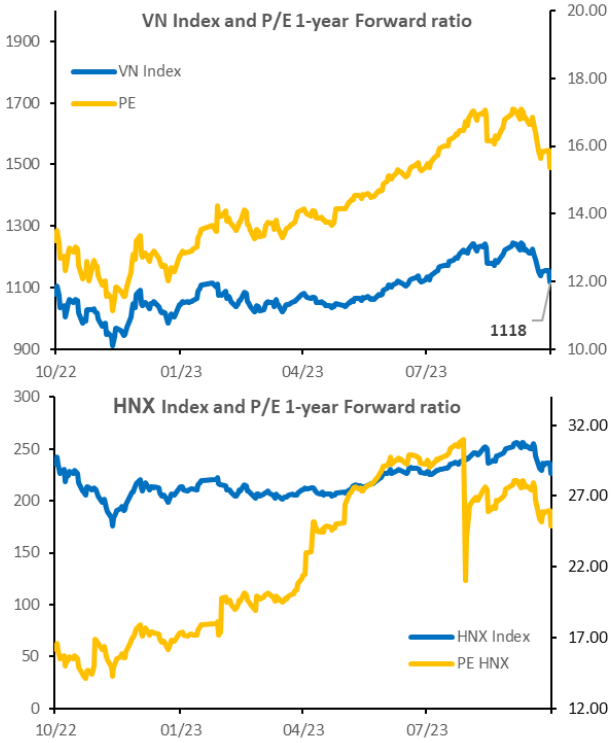
Market

	Close	%1D	%1M	%1Y
VN-Index	1,118	-3.22%	-8.66%	3.71%
S&P 500 Index	4,229	-1.37%	-6.34%	11.57%
Dow Jones Index	33,002	-1.29%	-5.27%	8.86%
GP 100	7,470	-0.54%	0.23%	5.41%
Nikkei 225	30,757	-1.54%	-6.62%	13.95%
SHCOMP Index	3,110	0.10%	-0.81%	2.28%
STOXX 600	441	-1.10%	-3.77%	9.35%
KOSPI Index	2,416	-1.97%	-4.99%	11.39%
Hang Seng	17,331	-2.69%	-8.03%	1.47%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	107.02	0.02%	2.67%	-2.76%
USD/VND	24,393.00	-0.16%	-1.29%	-2.10%
EUR/USD	1.05	0.08%	-2.97%	4.90%
USD/CNY	7.30	0.19%	-0.12%	-1.34%
Brent	91.10	0.20%	2.36%	-0.76%
WTI	89.49	0.29%	4.61%	3.43%
Natural gas	2.95	-0.10%	6.55%	-56.91%
Coal	149.65	-3.14%	-4.22%	-62.73%
Gold	1,824.49	0.08%	-6.08%	5.70%

Vietnam Market Snapshot 03/10/2023



Money flow and sector rotation (VND bn)

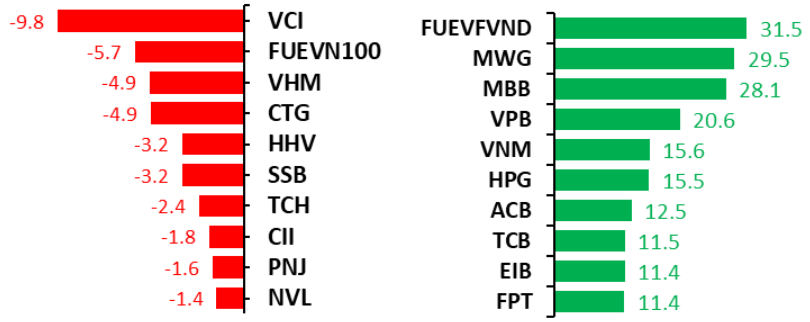
Sector	%1D	10/3/2023	10/2/2023	20-session Average
Media	226.69	4	1	1
Basic Resources	191.57	1,793	615	1,692
Insurance	184.45	37	13	41
Automobiles & Parts	144.86	208	85	249
Real Estate	141.74	4,013	1,660	4,871
Retail	134.09	862	368	755
Financial Services	116.54	4,046	1,869	3,623
Health Care	111.49	26	12	23
Banks	104.16	3,047	1,493	3,262
Chemicals	82.83	1,013	554	956
Construction & Materials	77.38	1,429	806	1,594
Utilities	76.01	220	125	230
Technology	72.75	198	115	295
Industrial Goods & Services	49.27	1,393	933	1,319
Personal & Household Goods	38.65	135	97	168
Oil & Gas	34.86	126	93	167
Food and Beverage	28.84	1,151	894	1,223
Travel & Leisure	-10.5	130	146	144

Source: Bloomberg, Shinhan Securities Vietnam

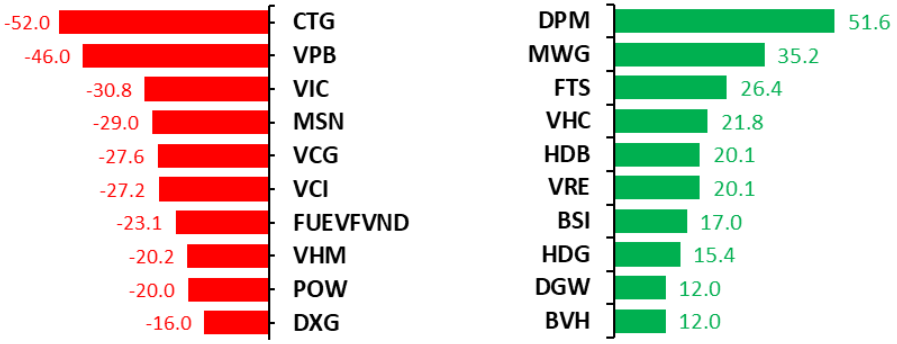
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,118.10	15.87	-37.15	-3.22	876	19,637
HNX INDEX	226.68	24.87	-10.04	-4.24	136	2,548

Vietnam Market Snapshot 03/10/2023

Top net buying & selling of proprietary trading (VND billion)



Top net buying & selling foreign investors (VND billion)



The net trading value of proprietary trading and investors by sector (VND billion)

Sub-sector	Proprietary trading (VND bn)	Foreign (VND bn)	Local Individual (VND bn)	Local Institutions (VND bn)
Real Estate	9	(39)	(16)	55
Basic Resources	17	(12)	(15)	27
Media	-	-	(0)	0
Industrial Goods & Services	4	(0)	(52)	53
Health care	0	9	(9)	0
Chemicals	3	45	(53)	8
Financial Services	37	(42)	(75)	117
Travel & Leisure	5	(8)	(2)	10
Banks	117	(103)	(135)	238
Construction & Materials	(5)	(17)	50	(34)
Food and Beverage	21	(13)	14	(1)
Retail	40	48	(93)	45
Utilities	4	(33)	40	(7)
Personal & Household Goods	(2)	1	(4)	3
Technology	14	(1)	(18)	19
Automobiles & Parts	(2)	(1)	(0)	1
Insurance	(0)	15	(14)	(1)
Oil & Gas	2	(9)	3	6

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Thanks to a series of practical policies, capital flows into the real estate market are experiencing very positive changes. According to the State Bank, in the first 6 months of 2023, real estate credit grew by 4.68%, equivalent to the general credit growth rate (4.73%). In particular, real estate business credit grew at a much higher rate (17.4%). This shows that solutions to overcome difficulties have begun to take effect.
- Exports of wooden furniture are forecast to be more positive in the last months of the year, thanks to the usual increase in market demand when the housing market is completed and the need to repair and replace household furniture increases to welcome new year. According to estimates by the Import-Export Department (Ministry of Industry and Trade) and the Industry and Trade Information Center, in September 2023, the export value of wood and wood products reached 1.2 billion USD, down 7% over the month. August 2023, but up 6.7% compared to September 2022. Of which, the export value of wood products is estimated at 785 million USD, down 6.6% compared to August 2023, but up 5.1% compared to September 2022.
- Overall, in September, ETF funds had a net withdrawal of 2,082 billion VND, of which foreign ETFs had a net withdrawal of 881.5 billion VND, mainly concentrated in Fubon FTSE, which had a withdrawal of 579.5 billion VND; iShare MSCI Frontier and Select EM ETF withdrew 228 billion VND; VanEck ETF withdrew 68.8 billion VND. Domestic ETFs withdrew 1,200 billion VND, of which VFMVN Diamond ETF had the largest withdrawal of 800.4 billion VND; SSIAM VNFIN Lead ETF withdrew 366.6 billion VND; VFM VN30 ETF withdrew 45 billion VND; MAFM VNDiamond was withdrawn 35.1 billion VND.
- After a period of sharp decline, the price of fertilizers (PB) has increased again, of which nitrogen fertilizer increased by about 3,000 VND/kg compared to last week; Other types such as NPK, DAP,... increase from 1,000-2,000 VND/kg, depending on the type. According to many farmers, the reason for the increase in PB price is "following" the price of rice. On the other hand, because the price of PB in the world has increased, the price of PB in the country has also increased.

Business news

- VCB: Vietcombank has just announced that it will apply a new deposit interest rate schedule and reduce it by 0.2 percentage points for terms of 3 months or more. Specifically, for both over-the-counter and online savings forms, the bank's highest deposit interest rate is only 5.3%/year, down 0.2 percentage points compared to before the change. This is the interest rate applicable for terms of 12 months or more. Besides, 6-month and 9-month term interest rates also decreased by 0.2 percentage points to 4.3%/year. The 3-month term interest rate decreased to the same level, down to 3.3%/year. The 1-month term interest rate remains 3%/year. Thus, Vietcombank has reduced deposit interest rates twice in a row in just a few weeks. The most recent time was on September 14, Vietcombank also adjusted a decrease of 0.3 percentage points in the term series.
- VJC: Meeting customer needs with favorite international destinations, Vietjet has just opened 5 new international routes, connecting Hanoi with Hong Kong (China), Phu Quoc with Taipei (Taiwan, China) and Busan (Korea), City. Ho Chi Minh with Adelaide and Perth (Australia).
- VGC: Viglacera Corporation - Joint Stock Company (HoSE: VGC) on October 2 held a meeting to evaluate the results of production and business activities in September, report on business results for the first 9 months of the year and deploy plans. 4th quarter 2023 plan. Accumulated in the first 9 months of the year, Viglacera's consolidated profit reached 1,590 billion VND, parent company profit reached 1,694 billion VND, exceeding the yearly plan by 31% and 29%, respectively. The industrial park real estate sector is still the key business segment contributing to Viglacera's business results with pre-tax profit in the first 9 months of the year estimated at 1,800 billion VND, completing 133% of the year plan, an increase of 389 billion VND. VND compared to the same period in 2022.

Breaking News



Business news

- **LTG**: The General Department of Taxation recently issued a decision on sanctioning tax administrative violations and tax inspection in 2021 and 2022 for Loc Troi Group Joint Stock Company. Accordingly, the company committed false declarations leading to a lack of tax payable. In addition, the company also made false declarations, leading to underpayment of VAT many times. For the above violations, Loc Troi Group will be subject to an administrative fine of more than 1 billion VND. At the same time, the company must also take remedial measures, including: Forced to pay the full amount of back taxes due to incorrect declaration of VND 4.6 billion; Late tax payment interest as of September 15 is 434 million VND. Thus, the total amount of arrears that Loc Troi Group must pay is 6.05 billion VND.
- **LPB**: LPBank mobilized 4,200 billion VND from bonds. Lien Viet Post Commercial Joint Stock Bank has just announced the results of the private bond issuance of phases 1, 2 and 3 in 2023. Specifically, on September 22, LPBank completed the issuance of 1,200 bonds with code LPBL2326001 with par Price is 1 billion VND/bond, equivalent to 1,200 billion VND. The bond batch has a term of 3 years, maturing on September 22, 2026. Next, on September 25, the bank issued another 1,000 bonds with code LPBL2326002 with the same par value and term. The bond batch was sold on the same day and will mature on September 25, 2026. On the very next day (September 26), LPBank issued an additional 2,000 bonds with code LPBL2326003, par value of 1 billion VND/bond.
- **SBT:** Year 2022 – 2023 (reporting period from July 1, 2022 – June 30, 2023), Thanh Thanh Cong – Bien Hoa Joint Stock Company (HoSE: SBT) reported a profit of 604.6 billion VND, down 31% compared to the same period last year. Explaining the decline in business results, Thanh Thanh Cong – Bien Hoa said that this period's consolidated revenue continued to increase by 35% over the same period, reaching 6,424 billion VND with sugar accounting for the largest proportion of 92%. However, due to the influence of market interest rates compared to the same period last year, the sharp increase in interest costs was the main reason leading to a 31% decrease in profits over the same period.

Technical view



Trend: Sideway

- VNINDEX closed 1,118 (-37 points, -3.22%) with liquidity at a much higher level than the previous session. The market recorded a decline in most stock codes. Among them, BID, VIC, and HPG contributed the most to the market's decline. Foreign investors were slight net sellers at VND -155 billion.
- Technical: The market created a downward gap and closed with a Marubozu candlestick, showing that strong selling pressure occurred during the session. In the long term, the lower edge of the long-term price channel formed in October 2022 will play a supporting role for the market. In addition, the MA200 line at 1,100 points will be a hard support area to maintain the long-term growth trend.
- Strategy: Investors can make new purchases with stocks that tend to bottom and benefit strongly in the near future such as export industry groups with the prospect of recovery in the future.

Scenario:

- Positive (60%): The market will accumulate in the 1100 – 1120 area and then move to the 1200 area
- Negative (40%): The market will correct to the 1,100 area

Recommended stocks

4/10/2023

Unit: VND thousand

Today's watchlist

Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
MBB	Sell	18.2	20.1	17.9	10%	-2%	18.05	28	-0.82%	25/08/2023	Bad macro
PTB	Hold	56.5	61.9	55.7	10%	-1%	58	15	2.65%	13/09/2023	
HPG	Sell	26.1	29	25.5	11%	-2%	24.8	4	-4.98%	28/09/2023	Cutloss
TCH	Sell	11.8	15	11.6	27%	-2%	11.05	3	-6.36%	29/09/2023	Cutloss

Economic calendar

October 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4	5	6	7
8	9 ISM Manufacturing PMI (US)	10 JOLTS Job Openings (US)	11 OPEC Meetings ADP Non-Farm Employment Change. ISM Services PMI (US)	12 BOJ Gov Kuroda Speaks	13 Unemployment Rate (US)	14
15	16 CPI, PPI (China)	17 GDP (UK) PPI (US)	18	19 FOMC Meeting CPI, core CPI (US)	20 Retail Sales (US), Prelim UoM Consumer Sentiment	21 Treasury Currency Report (US)
22 IMF Meetings	23 ETF VFM VN30, SSIAM VNFin Lead ETF & VFMVN Diamond ETF Review	24	25 CPI, core CPI (UK)	26 Deadline for submission of 3rd quarter financial statements Maturity of Derivatives Contracts Flash PMI (German, French, UK)	27 FDI announcement	28
29	30	31	1 BOC Press Conference, Monetary Policy Report and Rate Statement	2 ECB Press Conference, Monetary Policy Statement	3	4
5 ETF VNM VN30 changes the proportion of the portfolio	6					

NOTES: IEA hop thường niên

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